

**CALIFORNIA BOARD OF ACCOUNTANCY**

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President's Message



Renata M. Sos, Esq.
President

On behalf of the Board, I want to welcome you to the Spring 2005 edition of the newly revamped *Update*. As described more fully inside, we are streamlining this and other Board publications to more quickly and effectively deliver timely and important information to licensees and the public.

For this Board, one of the biggest events of 2004 was the passage of SB 1543 – a bill authored by Senator Liz Figueroa and signed into law by Governor Schwarzenegger last fall. SB 1543 contained a number of measures intended to respond to the ever-changing business and regulatory climate in which you practice. The significant features of SB 1543 are discussed on the Board's Web site and in an informational mailer that you received from the Board in January 2005.

My focus here is on the "practice privilege" portion of SB 1543. At present, there are two ways to practice public accountancy in California: first, under a California license; and, second, under what is termed "temporary and incidental practice." Under the latter, an out-of-state CPA who does not hold a California license may practice public accountancy in California without notifying the Board and without paying any fee, provided that the practice is

"temporary and incidental" to the licensee's regular practice at his or her principal business in another state.

Today, the movement of CPAs across state lines is commonplace. More and more, businesses and the firms that audit them require out-of-state expertise. The Sarbanes-Oxley Act now mandates periodic audit partner rotation for auditors of publicly-traded companies. Although we cannot know the number of out-of-state CPAs who are currently practicing in California, we can expect that the number will increase in coming years.

In recognition of this business reality, this Board developed the practice privilege concept. It is a process under which a qualified out-of-state CPA may practice temporarily in California, fully under the regulatory umbrella of the Board and fully subject to the laws of California. To be eligible for a practice privilege, an out-of-state licensee may not maintain an office or principal place of business in California. To obtain a practice privilege, these practitioners

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Update

Spring 2005 ♦ Issue No. 57

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must notify the Board that they are practicing in California, swear under the penalty of perjury that they are qualified to do so, pay the required fee, agree to follow California law, and be subject to the full force of the Board's enforcement and disciplinary powers.

Beginning January 1, 2006, there will be no more "temporary and incidental" practice in California. Instead, a licensee from outside California must at a minimum obtain a practice privilege in order to practice public accountancy in this state. The practice privilege is not a substitute for a license; it is not an alternative California "pathway" to licensure, and it intentionally does not encompass all of the rights and benefits that are accorded California licensees. In contrast to a California license, the Board can administratively suspend a practice privilege in order to conduct an investigation, proceeding or inquiry concerning representations made in the notice. This is a key consumer protection feature.

We believe that California's new practice privilege concept facilitates the efficient movement of qualified practitioners across state lines, while simultaneously protecting California

consumers. It also serves as a model for other states that are considering the implementation of cross-border practice laws. Our hope is that, if adopted by other states, our practice privilege will ultimately make it easier for California licensees to practice in other states.

Also contained within this issue of *Update* is a regulation notice with proposed implementing regulations that specify the requirements for notification, payment of the fee, and conditions that require prior Board approval of a practice privilege. We urge you to read this notice and the text of the proposed regulations. We encourage your comments regarding the proposed regulation.



Renata M. Sos
President

Policy of Nondiscrimination on the Basis of Disability and Equal Employment Opportunity

The California Board of Accountancy does not discriminate on the basis of disability in employment or in the admission and access to its programs and activities.

An Americans with Disabilities Act (ADA) coordinator has been designated to coordinate and carry out this agency's compliance with the nondiscrimination requirements of Title II of the ADA. Information concerning the provisions of the ADA, and the rights provided thereunder, is available from:

ADA Coordinator
California Board of Accountancy
2000 Evergreen Street, Suite 250
Sacramento, California 95815-3832

CBA Revamps its Communication Practices

*B*usiness and Professions Code Section 5008 provides that “The Board shall, from time to time, but not less than twice each year, prepare and distribute to all licensees, a report of the activities of the board, including amendments to this chapter and regulations adopted by the board, and may likewise distribute reports of other matters of interest to the public and to practitioners.” Since 1986, the Board has met this requirement by issuing *Update* and by making special mailings.

Historically, *Update* was published quarterly. However, between 2000-2003, due to budget and staff-resource constraints, it was issued biannually. In 2004, only one issue was produced — in February, in addition to one special mailing. As a result of a recent policy change made by the Board at its meeting of January 21, 2005 to modify its methods of written communication, this *Update* issue, No. 57, is the only one that will be produced during 2005. The first communication in 2005, issued in mid-January, was a letter to licensees from Board President Renata M. Sos about the Board’s current and future activities, as well as a summary of new legislation effective in 2005.

The Board was able to make the above changes because it was clearly recognized that the Worldwide Web has revolutionized the manner in which many people not only seek but actually prefer to receive their information. Visits to the Board’s Web site grew to greater than 4.5 million hits in 2004. In contrast, *Update* takes approximately three months to complete the processes of writing, editing, layout, securing internal and external approvals, obtaining bids and a contract — then printing and mailing it — with the result that the information is three months’ old when finally received by addressees. Conversely, the Web posting and sending shorter, more-frequently mailed notices and letters provide timely and accessible information to constituents, while consuming fewer staff resources and paper-publishing dollars. In addition, today licensees and candidates are not waiting for information to be published. Instead, they are proactively initiating their own inquiries directly to Board staff via email regarding their own specific issues. For example, from January through November 2004, staff received and responded to 18,720 individual emails regarding exam, initial licensing, renewal/continuing education, enforcement, and Web page issues.

Therefore, from this point forward, special mailings will be made at least two times a year to communicate issues, initiatives, and other subjects of interest. These mailings will be in addition to an annually-produced *Update* to keep licensees and interested parties apprised of the activities of the Board, as required by Section 5008. The annual publication of *Update* will include a list of all enforcement actions taken by the Board since the issuance of the previous year’s *Update*.

All letters, notices, and publications mailed to licensees will continue to be posted on the Board’s Web site at www.dca.ca.gov/cba. Also, the Board will Web-post a list of disciplinary actions, on their effective dates, after each Board meeting. The list will be replaced by the actions taken at each subsequent Board meeting. As well, all enforcement actions will continue to be available on the License Lookup on the effective date of each action and this data will remain posted for seven years on the site.

Finally, it is important to note that the Board will in no way be diminishing the frequency or amount of useful information it provides to licensees and candidates. Revamping CBA’s communication practices now allows the Board to connect with consumers, licensees, applicants, and other interested parties in a more practical, timely, and efficient manner, while most effectively deploying staff and fiscal resources. ♦

Regulation Notice

TITLE 16. CALIFORNIA BOARD OF ACCOUNTANCY

NOTICE IS HEREBY GIVEN that the California Board of Accountancy is proposing to take the action described in the Informative Digest. Any person interested may present statements or arguments orally or in writing relevant to the action proposed at a hearing to be held at the Westin Horton Plaza, 910 Broadway Circle, in San Diego, CA 92101 at 11:00 a.m., on May 20, 2005. Written comments, including those sent by mail, facsimile, or e-mail to the addresses listed under Contact Person in this Notice, must be received by the California Board of Accountancy at its office no later than 5:00 p.m. on May 19, 2005, or must be received by the California Board of Accountancy at the hearing. If submitted at the hearing, it is requested, although not required, that 25 copies be made available for distribution to Board members and staff. The California Board of Accountancy, upon its own motion or at the instance of any interested party, may thereafter adopt the proposals substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as the Contact Person and will be mailed to those persons who submit written or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

Authority and Reference: Pursuant to the authority vested by Sections 5010, 5018, 5096.9 and 5116 of the Business and Professions Code and Section 11400.20 of the Government Code and to implement, interpret or make specific Sections 122, 163, 5018, 5096-5096.11, 5100, 5116-5116.6, and 5134 of the Business and Professions Code, Section 1633.2 of the Civil Code, and Section 11435.50(e) of the Government Code, the California Board of Accountancy is considering changes to Division 1 of Title 16 of the California Code of Regulations as follows:

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

1. Adopt Sections 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, and 35.1, and amend Section 70 of Title 16 of the California Code of Regulations.

Section 5010 of the Business and Professions Code authorizes the California Board of Accountancy to adopt regulations for the orderly administration of the Accountancy Act. Legislation enacted in 2004 added Article 5.1 (commencing with Business and Professions Code Section 5096) to the Accountancy Act to permit a qualified out-of-state CPA to practice in California without a California license by obtaining a "practice privilege" that is under the full regulatory authority of the Board. Section 5096.9 in Article 5.1 authorizes the Board to adopt regulations to implement, interpret, or make specific the provisions of Article 5.1.

This proposal would adopt regulations to implement Article 5.1 including regulations specifying the notification requirement, payment of the fee, and conditions requiring board approval.

The objective of this proposal is to implement Article 5.1 with regulations that maximize consumer protection and support cross-border practice in a way that is efficient, effective, and encourages compliance.

2. Amend Section 98 of Title 16 of the California Code of Regulations.

Section 5010 of the Business and Professions Code authorizes the California Board of Accountancy to adopt regulations for the orderly administration of the Accountancy Act. Section 5018 of the Business and Professions Code authorizes the Board to adopt regulations related to rules of professional conduct. Section 11400.20 of the Government Code authorizes state agencies to adopt regulations to govern adjudicative proceedings. Section 11425.50 of the Government Code indicates that penalties in adjudicative proceedings cannot be based on a guideline unless the guideline is adopted as a regulation.

Section 98 was adopted in 1997 to incorporate the California Board of Accountancy's disciplinary guidelines by reference. These guidelines were revised in 2001 and in 2003 to address the violation of additional statutory and regulatory provisions.

In 2004, Article 6.5 (commencing with Business and Professions Code Section 5116) was added to the Accountancy Act to authorize the Board to assess disciplinary fines on both individuals and firms. Section 5116 in Article 6.5 requires the Board to adopt regulations to establish criteria for assessing administrative penalties.

(Please see Regulation Notice, continued to page 5)

This proposal would incorporate by reference "A Manual of Disciplinary Guidelines and Model Disciplinary Orders" (6th edition, 2005) which includes criteria for assessing the administrative penalties provided for in Article 6.5.

The objective of this proposal is to implement Article 6.5 by amending Section 98 to facilitate the assessment of reasonable administrative penalties under Article 6.5.

FISCAL IMPACT ESTIMATES

Fiscal Impact on Public Agencies Including Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State:

The cost of implementing the Practice Privilege Program will be funded by the fees paid by participants in the program.

Nondiscretionary Costs/Savings to Local Agencies: None.

Local Mandate: None.

Cost to Any Local Agency or School District for Which Government Code Section 17561 Requires Reimbursement: None.

Business Impact:

The California Board of Accountancy has made an initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

AND

The following studies were relied upon in making that determination: None.

Impact on Jobs/New Businesses:

The California Board of Accountancy has determined that this regulatory proposal will not have any impact on the creation of jobs or new businesses or the elimination of jobs or existing businesses or the expansion of businesses in the State of California.

Cost Impact on Representative Private Person or Business:

Under this proposal, an out-of-state CPA will be charged a \$100 fee for a California practice privilege. Also, under this proposal licensed individuals or licensed firms may incur fines for violations of the Accountancy Act.

Effect on Housing Costs: None.

EFFECT ON SMALL BUSINESS

The California Board of Accountancy has determined that the proposed regulations would affect small businesses.

CONSIDERATION OF ALTERNATIVES

The California Board of Accountancy must determine that no reasonable alternative which it considered or that has otherwise been identified and brought to its attention would either be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposal described in this Notice.

Any interested person may present statements or arguments orally or in writing relevant to the above determinations at the above-mentioned hearing.

(Please see Regulation Notice, continued to page 6)

INITIAL STATEMENT OF REASONS AND INFORMATION

The California Board of Accountancy has prepared an initial statement of the reasons for the proposed action and has available all the information upon which the proposal is based.

TEXT OF PROPOSAL

Copies of the exact language of the proposed regulations and of the initial statement of reasons, and all of the information upon which the proposal is based, may be obtained at the hearing or prior to the hearing upon request from the California Board of Accountancy at 2000 Evergreen Street, Suite 250, Sacramento, California 95815.

AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the person named below.

You may obtain a copy of the final statement of reasons once it has been prepared, by making a written request to the contact person named below or by accessing the Web site listed below.

CONTACT PERSON

Inquiries or comments concerning the proposed administrative action may be addressed to:

Name:	Aronna Wong
Address:	California Board of Accountancy 2000 Evergreen Street, Suite 250 Sacramento, CA 95815
Telephone No.:	(916) 561-1788
Fax No.:	(916) 263-3675
E-Mail Address:	awong@cba.ca.gov

The backup contact person is:

Name:	Mary Crocker
Address:	California Board of Accountancy 2000 Evergreen Street, Suite 250 Sacramento, CA 95815
Telephone No.:	(916) 561-1713
Fax No.:	(916) 263-3675
E-Mail Address:	mcrocker@cba.ca.gov

Inquiries concerning the substance of the proposed regulations may be directed to Aronna Wong at (916) 561-1788.

Web site Access: Materials regarding this proposal can be found at www.dca.ca.gov/cba.

TEXT OF PROPOSAL

Article 4 – Practice Privileges.

Section 26. Purpose of this Article.

This Article implements Article 5.1 of the Accountancy Act (commencing with Business and Professions Code Section 5096) related to Practice Privileges.

Note: Authority cited: Sections 5010 and 5096.9 Business and Professions Code. Reference: Sections 5096 – 5096.11 Business and Professions Code.

(Please see Regulation Notice, continued to page 7)

Section 27. Qualifications for the Practice Privilege.

To be eligible for a practice privilege, an individual whose principal place of business is not in California and who holds a valid, current license to practice public accountancy issued by another state shall meet the requirements of Business and Professions Code Section 5096 including, but not limited to, satisfying one of the following:

(a) Hold a current, valid license, certificate, or permit from a state determined by the Board to have education, examination, and experience requirements for licensure substantially equivalent to the requirements in Business and Professions Code Section 5093;

(b) Possess education, examination, and experience qualifications that have been determined by the Board to be substantially equivalent to the qualifications under Business and Professions Code Section 5093. Pursuant to subdivision (b) of Business and Professions Code Section 5096, the Board accepts individual qualification evaluations of substantial equivalency by the National Association of State Boards of Accountancy's (NASBA's) CredentialNet. Prior to seeking a practice privilege under this paragraph, an individual shall apply to NASBA's CredentialNet, pay the required fee, and obtain the required substantial equivalency determination. The individual shall report the NASBA file number on the Notification Form submitted pursuant to Section 28 and shall authorize the Board to review the NASBA file upon request; or

(c) Have continually practiced public accountancy as a Certified Public Accountant under a current, valid license issued by any state for four of the last ten years.

Note: Authority cited: Sections 5010 and 5096.9 Business and Professions Code. Reference: Section 5096 Business and Professions Code.

28. Notification.

(a) To obtain a practice privilege, an individual meeting the requirements of Section 27 shall notify the Board by submitting the fully completed Notification Form provided at the end of this Section or the electronic equivalent provided by the Board on its Web site, and shall pay the fee as required by Sections 31 and 70. Except for the electronic signature which is provided for in subsection (c), the electronic version of the form shall be identical in content to the paper version of the Notification Form provided at the end of this section.

(b) The license which shall be reported on Item 3 of "Qualification Requirements" on the Notification Form and "the license upon which the substantial equivalency is based" referenced in subdivision (e) of Business and Professions Code Section 5096 is the license under which an individual qualifies for a practice privilege pursuant to subsection (a) of Section 27, or the license in the state of the principal place of business for an individual who qualifies for a practice privilege under subsection (b) or (c) of Section 27.

(c) The electronic version of the Notification Form shall provide for a certification and electronic signature as follows:

I understand that any misrepresentation or omission in connection with this notification disqualifies me from the California practice privilege and is cause for termination. Further I authorize the California Board of Accountancy to act accordingly, including notifying other state or federal authorities. By typing my name in the box below and clicking the "I Agree" button I certify under penalty of perjury under the laws of the State of California that the information contained in this notice is true and correct. If I am not prepared to so certify, I understand that I should click the "Cancel" button to discontinue the notification process.

Full name _____

I Agree
Cancel

Note: Authority cited: Sections 5010 and 5096.9 Business and Professions Code. Reference: Section 5096 Business and Professions Code and Section 1633.2 Civil Code.

(Please see Regulation Notice, continued to page 8)

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**NOTIFICATION AND AGREEMENT TO CONDITIONS FOR THE PRIVILEGE TO
 PRACTICE PUBLIC ACCOUNTING IN CALIFORNIA PURSUANT TO
 CALIFORNIA BUSINESS AND PROFESSIONS CODE SECTION 5096 AND TITLE 16, DIVISION 1,
 ARTICLE 4 OF THE CALIFORNIA CODE OF REGULATIONS:**

Name: _____ Prior Name(s): _____

Firm Name: _____

Address of Principal Place of
 Business (mailing address): _____

Address of Record
 (if different than address above): _____

Telephone Number _____ Fax Number _____ Business
 (business hours): _____ (business hours): _____ E-mail: _____

Date Of Birth: ____ / ____ / ____ Social Security Number: _____

QUALIFICATION REQUIREMENTS:

I state as follows:

1. ☐ I am an individual.
2. ☐ My principal place of business is not in California, and I do not have an office in California other than through a firm that is registered in California and of which I am an employee; **OR**
☐ I have a pending application for licensure in California under Sections 5087 and 5088.
3. ☐ I qualify for a practice privilege based on my current, valid license to practice public accountancy in the following state:

State: _____ License _____ Date _____ License
 Number: _____ Issued: _____ Expiration Date: _____

4. ☐ a. The state of licensure identified in Item 3 is deemed substantially equivalent by the California Board of Accountancy (CBA) (see Appendix 1 for a list of substantially equivalent states); **OR**
☐ b. My individual qualifications have been determined by NASBA to be substantially equivalent (NASBA file no. _____); **OR**
☐ c. I have continually practiced public accountancy as a certified public accountant under a valid license issued by any state for 4 of the last 10 years.
5. ☐ I am submitting this notice to the CBA at or before the time I begin the practice of public accountancy in California; **OR**
☐ (This option is only available through December 31, 2007.) I am submitting this notice within five business days after I began the practice of public accountancy in California on ____ / ____ / ____ . My reason(s) for not providing notice on or before that date:

(Please see Regulation Notice, continued to page 9)

California Board of Accountancy

6. ☐ I have met the continuing education requirements and any exam requirements for the state of licensure identified in Item 3 above.

I consent and agree to the following:

7. ☐ To comply with the laws of the State of California, including the California Accountancy Act (Business and Professions Code Section 5000 et seq., accessible at http://www.dca.ca.gov/cba/acnt_act.htm) and the regulations thereunder (accessible at <http://www.dca.ca.gov/cba/regs.htm>).
8. ☐ To the personal and subject matter jurisdiction of the CBA including, but not limited to, the following:
- a. To suspend or revoke, without prior notice or hearing and in the sole discretion of the CBA or its representatives, the privilege to practice public accounting;
 - b. To impose discipline for any violation of the California Accountancy Act or regulations thereunder and recover costs for investigation and prosecution; and
 - c. To provide information relating to a practice privilege and/or refer any additional and further discipline to the board of accountancy of any other state and/or the SEC, PCAOB or other relevant regulatory authorities.
9. ☐ To respond fully and completely to all inquiries by the CBA relating to my California practice privilege, including after the expiration of this privilege.
10. ☐ To the authority of the CBA to verify the accuracy and truthfulness of the information provided in this notification. I consent to the release of all information relevant to the CBA's inquiries now or in the future by:
- a. Contacting other state agencies;
 - b. Contacting the SEC, PCAOB or any other federal agency before which I am authorized to practice; and
 - c. Contacting NASBA.
11. ☐ In the event that any of the information in this notice changes, to provide the CBA written notice of any such change within 30 days of its occurrence.
12. ☐ To concurrently submit the fee of \$100.00.

REQUIREMENTS FOR SIGNING ATTEST REPORTS:

I wish to be able to sign an attest report under this practice privilege and, if so, I have at least 500 hours of experience in attest services. ☐ Yes ☐ No

DISQUALIFYING CONDITIONS:

Please check any of the items below that apply. *For any items checked "yes" in (A) – (G), you must provide additional information as requested in Attachment X, and you are not authorized to practice in California unless and until you receive notice from the CBA that the privilege has been granted.*

- | | | | |
|--------------------------|--------------------------|-----|---|
| Y | N | A. | I have been convicted of a crime other than a minor traffic violation. |
| <input type="checkbox"/> | <input type="checkbox"/> | | |
| Y | N | B. | I have had a license, registration, permit or authority to practice a profession surrendered, denied, suspended, revoked, or otherwise disciplined or sanctioned except for the following occurrences: |
| <input type="checkbox"/> | <input type="checkbox"/> | | |
| | | (1) | an action by a state board of accountancy in which the only sanction was a requirement that the individual complete specified continuing education courses. |
| | | (2) | the revocation of a license or other authority to practice public accountancy, other than the license upon which the practice privilege is based, solely because of failure to complete continuing education or failure to renew. |

(Please see Regulation Notice, continued to page 10)

- Y N C. I am currently the subject of an investigation, inquiry or proceeding by or before a
☐ ☐ state, federal, or local court or agency (including the PCAOB) involving my
professional conduct.
- Y N D. I have an unresolved administrative suspension or an unpaid fine related to a prior
☐ ☐ California practice privilege.
- Y N E. I did not respond to a request for information from the CBA related to a prior practice
☐ ☐ privilege.
- Y N F. I have been notified by the CBA that prior Board approval is required before practice
☐ ☐ under a new practice privilege may commence.
- Y N G. I have had a judgment or arbitration award against me involving my professional
☐ ☐ conduct in the amount of \$30,000 or greater.

REQUIRED ADDITIONAL INFORMATION:

Do you currently hold a California Practice Privilege? ☐ Yes ☐ No

When does it expire? _____

Have you ever held a California CPA/PA license? ☐ Yes ☐ No License number: _____

In addition to the state of licensure identified in Item 3, I am also authorized to practice in the following:

State: _____ License Number: _____ Other Authority: _____

State: _____ License Number: _____ Other Authority: _____

An answer of "no" to any of the following statements does not disqualify you from a California practice privilege.

I am an associated person of a firm registered with the PCAOB. ☐ Yes ☐ No

My firm has undergone peer review within the last three years. ☐ Yes ☐ No

The state of licensure identified in Item 3 requires CE in fraud detection. ☐ Yes ☐ No

If yes, I have fulfilled this requirement. ☐ Yes ☐ No

I, _____, understand that any misrepresentation or omission in connection with this notification disqualifies me from the California practice privilege and is cause for termination. Further I authorize the California Board of Accountancy to act accordingly, including notifying other state or federal authorities. I certify under penalty of perjury under the laws of the State of California that the foregoing information is true and correct.

Signature: _____ Date: _____

Your privilege to practice commences with the submission of your completed notification and your fee. Your privilege expires at the end of one year.

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**ATTACHMENT X**

1. If you checked "yes" to any of items A – G under disqualifying conditions, please provide explanatory details:

2. If you checked "yes" to Item G under disqualifying conditions, please also provide:

Date of Judgment/

Arbitration Award: _____ Jurisdiction/Court: _____ Docket No: _____

PRIVACY STATEMENT: The information provided in this form will be used by the California Board of Accountancy to determine whether you qualify for practice privileges in California. Sections 5080 through 5095 of the Business and Professions Code authorize the collection of this information. Failure to provide any of the required information is grounds for rejection of the form as being incomplete. Information provided may be transferred to the Department of Justice, a District Attorney, a City Attorney, or to another government agency as may be necessary to permit the Board, or the transferee agency, to perform its statutory or constitutional duties, or otherwise transferred or disclosed as provided in Civil Code Section 1798.24. Each individual has the right to review his or her file, except as otherwise provided by the Information Practices Act. The Executive Officer of the California Board of Accountancy is responsible for maintaining the information in this form, and may be contacted at 2000 Evergreen Street, Suite 250, Sacramento, CA 95815, telephone number (916) 263-3680 regarding questions about this notice or access to records.

(Please see Regulation Notice, continued to page 12)

Section 29. Term of the Practice Privilege.

(a) Except as provided in Section 30 for practice commencing on or before December 31, 2007, or in those instances in which prior approval by the Board is required pursuant to Section 32, the practice privilege commences on the date the Notification Form is electronically submitted to the Board or on the postmark date of a Notification Form submitted to the Board by mail. When prior approval by the Board is required pursuant to Section 32, the practice privilege commences on the date the practice privilege is approved by the Board.

(b) A practice privilege, including a practice privilege that is or has been on administrative suspension pursuant to Business and Professions Code Section 5096.4, expires one year from the date the Notification Form is submitted to the Board or on the date a subsequent Notification Form is submitted to the Board, whichever occurs first.

Note: Authority cited: Sections 5010 and 5096.9 Business and Professions Code. Reference: Sections 5096 and 5096.4 Business and Professions Code.

30. Safe Harbor – Period of the Notice.

(a) The Notification Form required pursuant to Section 28 shall be submitted to the Board on or before the individual begins practice in California under a practice privilege. However, during the period January 1, 2006, through December 31, 2007, an individual shall not be deemed to be in violation of this Article or Article 5.1 of the Accountancy Act (commencing with Business and Professions Code Section 5096) solely because he or she begins the practice of public accounting in California prior to submitting the Notification Form, provided the Notification Form is submitted within five business days of the date practice begins. An individual who submits the Notification Form to the Board within the five-day period provided for in this Section shall be deemed to have a practice privilege from the first day of practice in California.

(b) In addition to any other applicable sanction, the Board may issue a fine of \$250 to \$5,000 for notifying the Board more than five business days after beginning practice in California. In assessing a fine amount, consideration shall be given to the factors listed in Section 95.3.

Note: Authority cited: Sections 5010 and 5096.9 Business and Professions Code. Reference: Sections 5096 and 5096.3 Business and Professions Code.

31. Payment of the Fee.

The fee required by Section 70(h) must be received by the Board within 30 days of the date the Notification Form is submitted to the Board.

(a) In addition to any other applicable sanction, an individual is subject to a fine of \$100 to \$500 for the first failure to pay the practice privilege fee within 30 days of the commencement of the practice privilege, including attempting to pay with a check that is subsequently dishonored. In assessing a fine amount, consideration shall be given to the factors listed in Section 95.3.

(b) In addition to any other applicable sanction, an individual is subject to a fine of \$250 to \$1,000 for any subsequent occurrence of failure to pay the practice privilege fee within 30 days, including attempting to pay with a check that is subsequently dishonored. In assessing a fine amount, consideration shall be given to the factors listed in Section 95.3.

(c) In addition to the fines described in this Section and any other applicable sanction, an individual is also subject to an administrative suspension for failure to pay the fee, including attempting to pay with a check that is subsequently dishonored. This administrative suspension shall remain in effect until the Board gives its approval for the individual to resume practice and shall not extend the term of the practice privilege.

Note: Authority cited: Sections 5010 and 5096.9 Business and Professions Code. Reference: Sections 5096, 5096.3, and 5096.4 Business and Professions Code.

(Please see Regulation Notice, continued to page 13)

32. Board Approval Required.

(a) An individual submitting a Notification Form pursuant to Section 28 who has any of the conditions listed in subsection (c) of this Section may not commence practice under a practice privilege without prior approval of the Board.

(b) A holder of a practice privilege who acquires any of the conditions listed in subsection (c) of this Section during the term of the practice privilege shall cease practicing immediately and shall not begin practicing again without prior approval of the Board.

(c) Conditions requiring Board approval to practice under a practice privilege:

(1) The individual is convicted of a crime other than a minor traffic violation.

(2) The individual has had a license or other authority to practice a profession issued by a state, federal, or local agency or court or the Public Company Accounting Oversight Board (PCAOB) revoked, suspended, denied, surrendered, put on probationary status, or otherwise sanctioned or limited, except for the following occurrences:

(A) An action by a state board of accountancy in which the only sanction was a requirement that the individual complete specified continuing education courses.

(B) The revocation of a license or other authority to practice public accountancy, other than the license identified in Item 3 of the Qualification Requirements on the Notification Form, solely because of failure to complete continuing education or failure to renew.

(3) The individual is the subject of an investigation, inquiry, or proceeding by or before a state, federal, or local court or agency (including the PCAOB) involving his or her professional conduct.

(4) The individual held a practice privilege in California that expired while under administrative suspension or with an unpaid fine.

(5) The individual has failed to respond to the satisfaction of the Board to a request for information from the Board regarding a matter related to a current or prior practice privilege.

(6) The individual has been notified by the Board that prior Board approval is required before practice under a new practice privilege may commence.

(7) The individual has had a judgment or arbitration award in an amount greater than \$30,000 entered against him or her in a civil matter involving the professional conduct of the individual.

Note: Authority cited: Sections 5010 and 5096.9 Business and Professions Code. Reference: Section 5096 Business and Professions Code.

33. Changes to Information on the Notification.

(a) An individual shall report in writing to the Board changes in the information reported on the Notification Form within 30 days of the change.

(b) In addition to any other applicable sanctions, an individual is subject to a fine of \$250 to \$5,000 for failure to comply with the requirements of this Section. In assessing a fine amount, consideration shall be given to the factors listed in Section 95.3.

Note: Authority cited: Sections 5010 and 5096.9 Business and Professions Code. Reference: Sections 5096 and 5096.3 Business and Professions Code.

34. Response to Board Inquiry.

(a) In addition to any other applicable sanction, failure to comply with the obligation to respond to Board inquiry pursuant to Section 5096(e)(5) could result in one or more of the following:

(1) Issuance of a fine of \$250 to \$5,000;

(Please see Regulation Notice, continued to page 14)

- (2) An administrative suspension of a current practice privilege pursuant to Business and Professions Code Section 5096.4; or
- (3) The requirement to obtain the approval of the Board before commencing to practice under a future practice privilege.
- (b) In assessing a fine amount, consideration shall be given to the factors listed in Section 95.3.

Note: Authority cited: Sections 5010 and 5096.9 Business and Professions Code. Reference: Sections 5096, 5096.3, and 5096.4 Business and Professions Code.

35. Continuing Education Requirement.

An individual practicing under a practice privilege shall meet the continuing education requirements of the state of licensure identified in Item 3 of the Qualification Requirements on the Notification Form.

Note: Authority cited: Sections 5010 and 5096.9 Business and Professions Code. Reference: Sections 5096 Business and Professions Code.

Section 35.1. Notice of Intent to Administratively Suspend.

- (a) Prior to the issuance of an Administrative Suspension Order pursuant to Business and Professions Code Section 5096.4, the Executive Officer may issue to the holder of a practice privilege a Notice of Intent to Administratively Suspend. The Notice of Intent to Administratively Suspend shall be in writing and shall be mailed to the practice privilege holder's address of record.
- (b) The Notice of Intent to Administratively Suspend shall include a description of the contents of the Administrative Suspension Order pursuant to subdivision (c) of Section 5096.4.
- (c) The Notice of Intent to Administratively Suspend shall provide the holder with a specified period of time in which to respond in writing by showing cause to the Executive Officer why the Administrative Suspension Order should not be issued.
- (d) The Executive Officer shall determine whether or not the Administrative Suspension Order shall be issued and shall so inform the practice privilege holder in writing.

Note: Authority cited: Sections 5010 and 5096.9 Business and Professions Code. Reference: Section 5096.4 Business and Professions Code.

Section 70. Fees.

- (a) ~~(1) Commencing July 1, 2002, the fees to be charged each California applicant for the paper and pencil certified public accountant examination, including each applicant for re-examination, shall be an application fee of \$60 and a fee of \$36 for each part of the examination requested by the applicant.~~
- (2) ~~The fee to be charged each applicant from another state who sits for the paper and pencil certified public accountant examination in California shall be a total of \$75.~~
- (3) ~~Commencing January 23, 2004, the fee to be charged each California applicant for the computer-based Uniform Certified Public Accountant Examination, shall be an application fee of \$100 for issuance of the Authorization to Test to first-time applicants and an application fee of \$50 for issuance of the Authorization to Test to repeat applicants.~~
- (b) ~~Commencing July 1, 2001, the fee to be charged each applicant for issuance of a certified public accountant certificate shall be \$250.~~
- (c) ~~The fee to be charged each applicant for registration, including applicant for registration under a new name as a partnership or as a corporation, shall be \$150.~~
- (d) ~~Commencing July 1, 2000, the fee to be charged each applicant for the initial permit to practice as a partnership, a corporation, or a certified public accountant shall be \$200.~~

(Please see Regulation Notice, continued to page 15)

(e) Commencing July 1, 2000, the fee to be charged each applicant for renewal of a permit to practice as a partnership, a corporation, a public accountant, or a certified public accountant shall be \$200.

(f) The fee for the processing and issuance of a duplicate copy of a certificate of licensure or registration shall be \$10.

(g) The fee for processing and issuance of a duplicate copy of a registration, or permit or other form evidencing licensure or renewal of licensure shall be \$2.

(h) Commencing January 1, 2006, the fee to be charged an individual for a practice privilege pursuant to Business and Professions Code Section 5096 shall be \$100.

Note: Authority cited: Section 5010 and 5018, Business and Professions Code. Reference: Sections 122, 163 and 5134 Business and Professions Code.

98. Disciplinary Guidelines.

In reaching a decision on a disciplinary action under the Administrative Procedure Act (Government Code Section 11400 et seq.), the Board shall consider the disciplinary guidelines entitled "A Manual of Disciplinary Guidelines and Model Disciplinary Orders" (~~5th edition, 2003~~ 6th edition, 2005) which are hereby incorporated by reference. Deviation from these guidelines and orders, including the standard terms of probation, is appropriate where the Board in its sole discretion determines that the facts of the particular case warrant such a deviation – for example: the presence of mitigating facts; the age of the case; evidentiary problems.

NOTE: Authority cited: Sections 5010, ~~and 5018, and 5116,~~ Business and Professions Code and Section 11400.20, Government Code. Reference: Sections 5018 and 5100, Business and Professions Code; and Section 11425.50(e), Government Code.

2005 Committee Member Appointments

The Board is pleased to announce that the following licensees were either reappointed or newly appointed to serve on the Board's committees for 2005. Appointments were announced at the Board's regularly scheduled meeting on November 19, 2004, in Los Angeles, California.

Administrative Committee

Harish Khanna, CPA, Chair
Randy Miller, CPA, Vice Chair
Richard Edward Beranek, CPA
Barry Franzen, CPA
Robert R. Lovret, CPA
Daniel R. Matter, CPA
James P. Petray, CPA
Kathleen Platz, CPA
Arthur J. Thielen, CPA

Qualifications Committee

Nancy J. Corrigan, CPA, Chair
Roger Bulosan, CPA, Vice Chair
Gary J. Bong, CPA
Waldemar Faimann III, CPA
Tracy A. Garone, CPA
Cheryl M. Gerhardt, CPA
Hamid Kabani, CPA
Michelle O. Nelson, CPA
Alice Norwood, CPA
Robert J. Riley, CPA
Janet Rosman, CPA
Ash W. Shenouda, CPA
Terri Webster, CPA
Michael L. Williams, CPA

Information

Each issue of *Update* contains important information about the public accounting profession, including notices of proposed hearings on regulation changes, Board and committee meetings, and proposed new regulatory language. For your convenience, all issues of *Update* for the past seven years also are posted on our Web site at www.dca.ca.gov/cba.

Future Meetings

April 27, 2005

Qualifications Committee Meeting

Embassy Suites Hotel LAX North

9801 Airport Boulevard

Los Angeles, California 90045

(310) 215-1000

May 3, 2005

Peer Review Task Force

Sacramento

May 5, 2005

Administrative Committee

Los Angeles

May 19-20, 2005

Board Meeting

Westin Horton Plaza

910 Broadway Circle

San Diego, California 92101

(619) 238-2600

July 13, 2005

Qualifications Committee Meeting

California Board of Accountancy

2000 Evergreen Street, Suite 250

Sacramento, California 95815

(916) 263-3680

July 21-22, 2005

Board Meeting

San Francisco

Board, committee, and task force meetings are open to the public. Licensees are encouraged to attend. As meeting locations become known, they will be posted on the Board's Web site at www.dca.ca.gov/cba and also are available by telephoning the Board's office at (916) 263-3680.

Public notices and agendas are posted to the Web site at least 10 days prior to meetings.

Enforcement Actions and Standard Probationary Terms

When the Board receives a complaint, an investigation is conducted. Information regarding a complaint generally is gathered by staff Investigative CPAs, often accompanied by a licensee's appearance before the Board's Administrative Committee. In some cases, information is gathered by the Department of Consumer Affairs Division of Investigation.

Following this investigation, or for other reasons, a recommendation is made either to close the case for lack of evidence, or to refer the matter to the Attorney General for review and possible preparation of an accusation against the licensee or a statement of issues relating to the applicant.

The Board may revoke, suspend, or impose probation on a license for violation of applicable statutes or regulations. In addition to any case-specific terms of probation, the standard probationary terms include:

- Obey all federal, California, other state, and local laws, including those rules relating to the practice of public accountancy in California.
- Submit within 10 days of completion of the quarter, written reports to the Board on a form obtained from the Board. The Respondent shall submit, under penalty of perjury, such other written reports, declarations, and verification of actions as are required. These declarations shall contain statements relative to respondent's compliance with all the terms and conditions of probation. Respondent shall immediately execute all release of information forms as may be required by the Board or its representatives.
- During the period of probation, appear in person at interviews or meetings as directed by the Board or its designated representative, provided such notification is accomplished in a timely manner.
- Comply with the terms and conditions of the probation imposed by the Board, and cooperate fully with representatives of the Board in its monitoring and investigation of the respondent's compliance with probation terms and conditions.
- Be subject to, and permit a "practice investigation" of the Respondent's professional practice. Such a "practice investigation" shall be conducted by representatives of the Board,

provided notification of such review is accomplished in a timely manner.

- Comply with all final orders resulting from citations issued by the California Board of Accountancy.
- In the event Respondent should leave California to reside or practice outside this state, Respondent must notify the Board in writing of the dates of departure and return. Periods of non-California residency or practice outside the state shall not apply to reduction of the probationary period, or of any suspension. No obligation imposed herein, including requirements to file written reports, reimburse the Board costs, or make restitution to consumers, shall be suspended or otherwise affected by such periods of out-of-state residency or practice, except at the written direction of the Board.
- If Respondent violates probation in any respect, the Board, after giving respondent notice and an opportunity to be heard, may revoke probation and carry out the disciplinary and/or enforcement order that was stayed. If an accusation or a petition to revoke probation is filed against Respondent during probation, the Board shall have continuing jurisdiction until the matter is final, and the period of probation shall be extended until the matter is final.
- Upon successful completion of probation, respondent's license will be fully restored.

If charges are filed against a licensee, a hearing may be held before an independent administrative law judge who submits a proposed decision to be considered by the Board of Accountancy, or the matter may be settled. The Board may either accept the proposed decision or decide the matter itself. Please note that Board actions reported here may not be final. After the effective date of the Board's decision, the licensee may obtain judicial review of its decision. On occasion, a court will order a stay of the Board's decision or return the decision to the Board for reconsideration.

Copies of the accusations, decisions, and settlements regarding any of these disciplinary and/or enforcement actions are available by sending a written request to: California Board of Accountancy, Attention: Disciplinary/Enforcement Actions, 2000 Evergreen Street, Suite 250, Sacramento, CA 95815-3832. Please state the licensee's name and license number, and allow approximately three weeks for each request.

Enforcement Actions 4/1/04 through 2/24/05

Revocation of CPA Certificate

Name/Board Actions	Cause for Discipline	Violation(s) Charged
BOONE, CRAIG A. Fresno, CA (CPA 50730) Revocation of CPA Certificate, via proposed decision. Mr. Boone is required to reimburse the Board \$27,418 for its investigation and prosecution costs. Effective December 22, 2004	<p>Mr. Boone obtained referral fees for convincing investors to place their monies in Denzel Finance, Ltd. Mr. Boone lacked knowledge and understanding of the Denzel investment program and market, and he failed to question or investigate the promised excessive rate of return (60 percent with no risk) or the validity of the investment.</p> <p>Mr. Boone did not have written disclosures to his accounting clients that he would be receiving commissions or referral fees based on their investments.</p> <p>Mr. Boone failed to inform investors of the true rate of return on their investments. He retained a portion of the return for himself and selected how much to pass on to the individual investors, which he failed to disclose. During the period of approximately February 1998 to March 1999, Mr. Boone received referral fees or commissions of \$524,015.</p> <p>Additionally, Mr. Boone practiced public accountancy without a valid permit from April 1996 to December 2002.</p>	Business and Professions Code, Division 3, Chapter 1, §§ 5050, 5051, 5061, and 5100 (c). California Code of Regulations, Title 16, §§56 and 56.1.
CAPPEL, ILSE San Diego, CA (CPA 48948) Revocation of CPA Certificate, via default decision. Effective October 15, 2004	<p>Ms. Cappel was convicted upon her plea of guilty for conspiracy to commit bank fraud, a felony.</p> <p>Ms. Cappel is further subject to discipline in that she failed to report the conviction to the Board.</p>	Business and Professions Code, Division 3, Chapter 1, § 5100 (a) and (g). California Code of Regulations, Title 16, Division 1, § 5063 (a)(1).

(Please see Enforcement Actions, continued to page 20)

Enforcement Actions 4/1/04 through 2/24/05

Revocation of CPA Certificate

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p>GIESECKE, JR., JOHN MARSHALL Malibu Lake, CA (CPA 58762)</p> <p>Revocation of CPA Certificate, via default decision.</p> <p>Effective April 1, 2004</p>	<p>On September 25, 2002, Mr. Giesecke was convicted on his plea of guilty to securities fraud, making false statements in a filing with the Securities and Exchange Commission; knowingly falsifying books, records, and accounts; and making or causing to be made materially false and misleading statements to outside auditors, all felony charges.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5063, and 5100 (a), (c), (i), and (j).</p>
<p>HOBERG, CHRISTINE B. Los Altos, CA (CPA 39902)</p> <p>Revocation of CPA Certificate, via stipulated settlement.</p> <p>Ms. Hoberg agrees that should she seek reinstatement of her certificate in the future, she will reimburse the Board \$2,616.22 for its costs of investigation prior to the Board's consideration of her petition for reinstatement.</p> <p>Effective April 1, 2004</p>	<p>Ms. Hoberg admits that she was suspended from practice as an accountant before the Securities and Exchange Commission.</p> <p>The underlying charges in the SEC's action are that while serving as the Chief Financial Officer of nVidia, Ms. Hoberg among other actions, engaged in actions that resulted in nVidia filing a materially false financial statement in the 10-Q for the quarter ended April 30, 2000.</p> <p>The SEC's complaint alleged that Ms. Hoberg engaged in improper accounting practices that materially increased nVidia's gross profit, net income, and earnings per share for the quarter in a departure from GAAP.</p> <p>The SEC's complaint also alleged that these practices included participating in structuring a transaction to conceal nVidia's obligation to repay certain cost reductions from a supplier in future periods. In addition, the SEC's Complaint alleged that Ms. Hoberg failed to disclose material information regarding nVidia's books and records to nVidia's independent auditors.</p>	<p>Business and Professions Code, Division 3, Chapter 1, § 5100 (h).</p>

(Please see Enforcement Actions, continued to page 21)

Enforcement Actions 4/1/04 through 2/24/05

Revocation of CPA Certificate

Name/Board Actions	Cause for Discipline	Violation(s) Charged
LOPEZ, ANDREW LEO Albuquerque, NM (CPA 23260) Revocation of CPA Certificate, via Decision after Non-Adoption of Proposed Decision. Effective October 16, 2004	<p>Mr. Lopez was disbarred from practice before the Internal Revenue Service. The facts, occurring in 1990 and underlying the imposition of this discipline, are that Mr. Lopez was found to have engaged in disreputable conduct by willfully participating in and counseling a client in an attempt to evade the payment of federal taxes.</p> <p>Mr. Lopez neglected and refused to promptly submit and/or counseled a client to refuse to promptly submit records or information to the Internal Revenue Service.</p> <p>Mr. Lopez engaged in disreputable conduct by attempting to influence the official action of an Internal Revenue Service official by the use of threats and coercion.</p> <p>Mr. Lopez did not report to the California Board of Accountancy that he was disciplined by the New Mexico Public Board of Accountancy.</p>	Business and Professions Code, Division 3, Chapter 1, §§ 5063 and 5100 (h).
OMEAD, CYRUS North Hollywood, CA (CPA 46776) Revocation of CPA Certificate, via proposed decision. Effective February 24, 2005	<p>Mr. Omead failed to pass the audit section of the CPA examination in accordance with the terms of his probation.</p>	Condition No. 9, Terms of Probation, AC-1996-5; D1-1996-5.

(Please see Enforcement Actions, continued to page 22)

Enforcement Actions 4/1/04 through 2/24/05

Revocation of CPA Certificate

Name/Board Actions	Cause for Discipline	Violation(s) Charged
PEKRUL, JEANNINE R. Las Vegas, CA (CPA 56381) Revocation of CPA Certificate, via default decision. Effective April 1, 2004	<p>Between April 18, 2003, and May 20, 2003, Ms. Pekrul, while employed as a financial controller for a Nevada company, forged checks to herself and another individual. Ms. Pekrul cashed an amount exceeding \$250,000 for her own personal use without the authorization from the company.</p> <p>On or about July 30, 2003, Ms. Pekrul was convicted in the District Court, Clark County, Nevada.</p> <p>Between September 18, 2002, to on or about January 16, 2003, Ms. Pekrul, while employed as a part-time bookkeeper for a Nevada law firm, embezzled an amount in excess of \$35,000. Ms. Pekrul forged her employer's signature on checks from the firm's general and trust bank accounts and misused the firm's Office Depot account for personal purchases.</p> <p>On or about July 23, 2003, Ms. Pekrul was convicted in the District Court, Clark County, Nevada.</p> <p>Between February 1, 2001, and October 31, 2001, while employed as a controller for a Nevada Company, Ms. Pekrul forged checks written to herself from the company's payroll account. Ms. Pekrul also misused the company's credit card by making unauthorized purchases. Ms. Pekrul embezzled an amount of approximately \$58,884.74.</p> <p>On or about January 6, 2003, Ms. Pekrul was convicted in the District Court, Clark County, Nevada.</p> <p>Ms. Pekrul failed to report the convictions to the Board as required.</p>	Business and Professions Code, Division 3, Chapter 1, §§ 490, 5063, and 5100 (c) and (g). California Code of Regulations, Title 16, Division 1, § 58.

(Please see Enforcement Actions, continued to page 23)

Enforcement Actions 4/1/04 through 2/24/05

Revocation of CPA Certificate

Name/Board Actions	Cause for Discipline	Violation(s) Charged
ROSENTHAL, MARTIN West Hills, CA (CPA 18610) Mr. Rosenthal's license is revoked, via Decision, after Non-Adoption of Proposed Decision. Effective January 25, 2005	Mr. Rosenthal agreed to represent his clients at an IRS audit; however, he failed to do so. Mr. Rosenthal gave his clients repeated false assurance that he was taking care of all matters and that they need not worry. Tax liens and a wage garnishment were levied against the clients.	Business and Professions Code, Division 3, Chapter 1, § 5100 (c) and (l).
SAMILEY, ROMEO E. Upland, CA (CPA 36604) Revocation of CPA Certificate, via default decision. Effective October 14, 2004	Mr. Samiley engaged in the practice of public accountancy with an inactive CPA license and subsequently with an expired CPA license during the respective periods of March 3, 2000, through March 31, 2000, and from April 1, 2000, through the income tax preparation seasons for 2000, 2001, 2002, and 2003. Mr. Samiley submitted a license renewal application for active status for the period April 1, 1998, through March 31, 2000, without a declaration of completion of the 80 hours of continuing education required for active renewal. Mr. Samiley is further subject to disciplinary action in that he failed to notify the Board within 30 days of his change of address in 2002.	Business and Professions Code, Division 3, Chapter 1, §§ 5050, and 5100 and 5100 (g). California Code of Regulations, Title 16, Division 1, §§ 3 (a) (1), 80 (a), and 87.

(Please see Enforcement Actions, continued to page 24)

Enforcement Actions 4/1/04 through 2/24/05

Revocation of CPA Certificate

Name/Board Actions	Cause for Discipline	Violation(s) Charged
SANCHEZ, SAMUEL S. Northridge, CA (CPA 25474) Revocation of CPA Certificate via default decision. Effective June 17, 2004	<p>Accusation No. AC-2004-5 contained allegations that Mr. Sanchez engaged in the practice of public accountancy during the period June 1, 1998, through May 26, 2003, while his license was in an expired status.</p> <p>Mr. Sanchez operated his firm under the unregistered name of "Sam S. Sanchez & Company," and Mr. Sanchez made a false statement on his renewal form by stating he did not perform a compilation, when in fact he had.</p>	Business and Professions Code, Division 3, Chapter 1, §§ 5050, 5060, and 5100 (c) and (g).
VEEN, STEVEN C. Downey, CA (CPA 40580) Revocation of CPA Certificate, via default decision. Effective April 1, 2004	<p>On or about July 10, 2003, an order was instituted against Mr. Veen in the Securities and Exchange Commission's (SEC) Administrative Proceeding, wherein Mr. Veen was suspended from appearing or practicing before the SEC as an accountant.</p> <p>Mr. Veen failed to notify the California Board of Accountancy within 30 days of the suspension entered against him by the SEC.</p> <p>The order included the SEC's allegations that from at least 1996 to on or about 1998, Mr. Veen, as the Chief Financial Officer of Aura Systems, Inc., knew or was reckless in not knowing that Aura materially overstated its revenue for 1997 and 1998, and he provided Aura's independent auditors with false documents during the year-end audit.</p> <p>Further, the SEC alleged that on or about January 19, 1999, Mr. Veen signed and caused to be filed with the SEC, a false third quarter report of NewCom. Mr. Veen knew or should have known that the report materially overstated earnings and revenue, and created false sales numbers.</p> <p>Mr. Veen agreed to the entry of the SEC's order without admitting or denying the charges.</p>	Business and Professions Code, Division 3, Chapter 1, §§ 5063, 5100 (c) and (j), and 5200 (g) and (h).

(Please see Enforcement Actions, continued to page 25)

Enforcement Actions 4/1/04 through 2/24/05

Revocation of CPA Certificate

Name/Board Actions	Cause for Discipline	Violation(s) Charged
WALSH, KENNETH E. Redondo Beach, CA (CPA 44359) Revocation of CPA Certificate, via default decision. Effective February 24, 2005	<p>Mr. Walsh prepared and issued an audit report during a period in which his CPA license was expired.</p> <p>Mr. Walsh did not respond to Board inquiries, written and telephonic, and Mr. Walsh failed to comply with the Board's duly issued investigatory subpoena.</p> <p>Mr. Walsh has not notified the Board in writing of the change in his address of record.</p>	Business and Professions Code, Division 3, Chapter 1, §§ 5050 and 5100 (g). California Code of Regulations, Title 16, §§ 3 and 52.
WERNER, JEROLD J. Fullerton, CA (CPA 18486) Revocation of CPA Certificate, via default decision. Effective October 15, 2004	<p>Mr. Werner was convicted upon his plea of no contest to felony grand theft. The circumstances surrounding the conviction are that on or around September 11, 2002, Mr. Werner willfully and unlawfully took personal property belonging to his employer, valued at \$336,435.</p> <p>Mr. Werner is further subject to discipline for not reporting the conviction to the Board.</p>	Business and Professions Code, Division 3, Chapter 1, §§ 5063 (a) (1), 5100, and 5100 (a), (c), (g), and (k).
WILLIAMS, EDMOND H. Costa Mesa, CA (CPA 5145) Revocation of CPA Certificate, via proposed decision. Effective December 22, 2004	<p>Mr. Williams performed an audit of the financial statements of a homeowners' association that contained extreme departures from generally accepted auditing standards and generally accepted accounting principles. Mr. Williams failed to document that the audit was adequately planned. He failed to document his conclusions regarding internal controls or the risk of a material misstatement due to fraud. Written representations from management or the client's legal counsel were not documented. Mr. Williams also failed to document audit evidence obtained, procedures applied, and the testing performed.</p> <p>Mr. Williams failed to issue a report conforming to professional standards. Mr. Williams' audit report and working papers included additional departures from professional standards that constituted repeated negligent acts.</p>	Business and Professions Code, Division 3, Chapter 1, §§ 5062, 5100, and 5100 (c) and (g). California Code of Regulations, Title 16, § 58.

(Please see Enforcement Actions, continued to page 26)

Other Enforcement Actions 3/29/04 through 2/24/05

Name/Board Actions	Cause for Discipline	Violation(s) Charged
BRAXTON, LAVERNE Berkeley, CA (CPA 23553) Revocation stayed, with three years' probation, via stipulated settlement. Suspension of practice for three months. Ms. Braxton is required to complete 65.5 hours of continuing education, in addition to the 80 hours required for renewal. Ms. Braxton is required to reimburse the Board \$4,488 for its investigation and prosecution costs. Other standard terms and conditions. Effective April 8, 2004	<p>Ms. Braxton admits that she practiced with an expired license from September 1, 2001, through June 2, 2002.</p> <p>During that period, Ms. Braxton performed an audit for a nonprofit foster care agency, and the audit report was submitted to the Department of Social Services.</p> <p>Ms. Braxton neither admits nor denies, but does not contest, the allegation that when she certified on her renewal dated June 4, 2002, that she had completed the requisite 80 hours of qualifying continuing education, she had in fact completed only 14.5 hours.</p>	Business and Professions Code, Division 3, Chapter 1, §§ 5050, and 5100 (b) and (g). California Code of Regulations, Title 16, Division 1, § 87.

(Please see Disciplinary Actions, continued to page 27)

Other Enforcement Actions 3/29/04 through 2/24/05

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p>ERNST & YOUNG LLP Los Angeles, CA (PAR 5413)</p> <p>30-day suspension of PAR Certificate stayed, with three years' probation, via stipulated decision.</p> <p>Ernst & Young LLP is on probation with the following terms and conditions:</p> <ul style="list-style-type: none"> ■ Comply with the SEC Order and fully communicate with the Board or its designees concerning compliance. ■ At Ernst & Young's expense, an independent third party consultant shall be engaged to conduct a practice investigation and prepare a written report to the Board, to assure the Board that Ernst & Young LLP's leadership is committed to and has implemented policies and procedures that reasonably can be expected to remedy the violations found and result in compliance with the SEC's rules on auditor independence related to business relationships with clients and with GAAS. The consultant will sample "California audits." ■ Provide financial and other resources required for the Board to host an educational symposium designed to provide continuing education of no less than eight hours to the profession on topics chosen by the Board and relevant to the Board's enforcement program. ■ Submit acceptable proof of attendance to the symposium referred to above by all of Ernst & Young LLP's attest personnel licensed in California. ■ Ernst & Young LLP will reimburse the Board an amount not to exceed \$100,000 for its investigation and prosecution costs in this and related matters. ■ Disseminate decision to Ernst & Young LLP's professional personnel. ■ Other standard terms and conditions. 	<p>Ernst & Young LLP was sanctioned by the United States Securities and Exchange Commission (SEC), an action subjecting Ernst & Young's California CPA partnership registration to discipline. The SEC's Order found that Ernst & Young LLP was not independent in fact or appearance when it audited the financial statements of PeopleSoft for fiscal years 1994-1999. The SEC's sanctions included a six-month suspension from accepting new SEC audit clients, disgorgement of audit fees (+\$1.6 million), an injunction against future violations; and an independent consultant report.</p> <p>The SEC found independence violations arising out of Ernst & Young's business relationships with PeopleSoft created an identity or mutuality of interests. The SEC's Order found Ernst & Young was auditing PeopleSoft's books at the same time that its International Tax Group had business relationships with PeopleSoft, including an application software partnership through which Ernst & Young entered a licensing and distribution agreement with PeopleSoft. The SEC's Order also found Ernst & Young was auditing PeopleSoft's books at the same time that Ernst & Young's Consulting Group had an Implementation Partnership with PeopleSoft.</p> <p>The SEC found that Ernst & Young and PeopleSoft had a "symbiotic relationship" engaging in joint sales and marketing efforts, and sharing considerable proprietary, confidential business information, and that Ernst & Young partnered with PeopleSoft to the maximum extent possible to accomplish sales and boost Ernst & Young's consulting revenues.</p> <p>The Board's discipline is based upon Ernst & Young's admissions that the SEC order provides the basis for discipline of the partnership license under Business and Professions Code, Division 3, Chapter 1, § 5100 (h) and (l).</p>	<p>Business and Professions Code, Division 3, Chapter 1, § 5100 (g), (h), and (l), and Board Rule 65.</p>

Effective September 24, 2004

(Please see Enforcement Actions, continued to page 28)

Other Enforcement Actions 3/29/04 through 2/24/05

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p>FLATTUM, GORDON H. Tacoma, WA (Applicant)</p> <p>Mr. Flattum's application for licensure is denied, via proposed decision.</p> <p>Effective May 18, 2004</p>	<p>On March 8, 1993, Mr. Flattum was convicted of several crimes including securities fraud, money laundering, and filing false statements.</p> <p>Mr. Flattum's crimes involved dishonesty and are substantially related to the qualifications, functions, and duties of a certified public accountant.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 480 and 5110 (a).</p>
<p>GRAYSON, ROBERT R. San Francisco, CA (CPA 21583)</p> <p>Revocation of CPA Certificate via Decision after Non-Adoption of Proposed Decision.</p> <p>Mr. Grayson is required to reimburse the Board \$27,170.94 for its investigation and prosecution costs.</p> <p>Effective March 29, 2004</p>	<p>Mr. Grayson improperly secured the renewal of his license to active status on November 21, 2000, by knowingly misrepresenting, through false statements, his compliance with continuing education requirements.</p> <p>Mr. Grayson engaged in the practice of public accountancy without a valid license. Mr. Grayson issued audit reports while his license was either expired or inactive.</p> <p>Mr. Grayson failed to cooperate with the Board's investigation and actively sought to delay, confuse, obstruct, and avoid the investigation and its possible consequences.</p> <p>Mr. Grayson engaged in dishonesty, fraud, or gross negligence in the practice of public accountancy by intentionally representing to his client and the public that he possessed a valid license and was properly acting as a certified public accountant.</p> <p>Mr. Grayson failed to comply with professional standards for the audits of approximately 21 not-for-profit group homes for fiscal years 1999 and 2000.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 498, 5050, 5062, and 5100 (b), (c), and (g). California Code of Regulations, Title 16, Division 1, §§ 5, 52, 58, 80 (b), and 89 (k).</p>

(Please see Enforcement Actions, continued to page 29)

Other Enforcement Actions 3/29/04 through 2/24/05

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p>HALL, VERNON T. Riverside, CA (CPA 12996)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Thirty days suspension from the practice of public accountancy.</p> <p>Mr. Hall shall take and pass with a score of 90 percent or better an eight-hour Board-approved ethics course within the first year of probation.</p> <p>Mr. Hall is required to reimburse the Board \$3,376 for its investigation and prosecution costs.</p> <p>Other standard terms and conditions.</p> <p>Effective February 24, 2005</p>	<p>Mr. Hall admits the truth of each and every charge and allegation in Accusation No. AC-2004-11.</p> <p>On or about November 5, 2001, in SEC case number 3-9042, Mr. Hall was suspended from being associated with an investment advisor for six months. Subsequent to further judicial appeal, the suspension went into effect on or about April 24, 2003.</p> <p>Mr. Hall did not report his suspension by the SEC to the California Board of Accountancy.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5063 and 5100, 5100 (g), (h), and (l).</p>
<p>HURRELL, SUSAN FRANCES Orinda, CA (CPA 25339)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Ms. Hurrell is required to complete 55 hours of continuing education, in addition to the 80 hours required for renewal.</p> <p>Ms. Hurrell is required to reimburse the Board \$5,549.67 for its investigation and prosecution costs.</p> <p>Other standard terms and conditions.</p> <p>Effective April 1, 2004</p>	<p>Ms. Hurrell admits she practiced with an expired license from January 1, 2001, through October 8, 2001.</p> <p>On October 9, 2001, Ms. Hurrell renewed her license as inactive, without continuing education, and she continued to engage actively in her professional practice.</p> <p>On January 1, 2003, Ms. Hurrell renewed her license in active status.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5050, and 5100 (c) and (g).</p>

(Please see Enforcement Actions, continued to page 30)

Other Enforcement Actions 3/29/04 through 2/24/05

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p>KIMBALL, RANDY B. Rancho Cucamonga, CA (CPA 27475)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Mr. Kimball's license is suspended for three months.</p> <p>Mr. Kimball shall not prepare income tax returns for clients during the period of suspension, unless he has a valid tax preparer registration with the California Tax Education Council.</p> <p>Mr. Kimball shall maintain an active CPA license.</p> <p>Mr. Kimball is required to reimburse the Board \$6,947 for its investigation and prosecution costs.</p> <p>Mr. Kimball is required to notify his clients of suspension from practice as a certified public accountant.</p> <p>Other standard terms and conditions.</p> <p>Effective April 1, 2004</p>	<p>Mr. Kimball is subject to discipline on the grounds of unprofessional conduct in that he was suspended from practice before the IRS for a six-month period, July 1 through December 31, 1996, as a result of his failure to timely file his personal income tax returns for the years 1986 through 1993.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5050, 5100 (g) and (h), and 22253 (a)(1). California Code of Regulations, Title 16, §§ 80, and 87.</p>

(Please see Enforcement Actions, continued to page 31)

Other Enforcement Actions 3/29/04 through 2/24/05

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p>LEONARD, DANIEL J. Laguna Hills, CA (CPA 47978)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Mr. Leonard is required to submit to the Board or its designee for its prior approval a plan of practice that shall be monitored by another CPA or PA who provides periodic reports to the Board or its designee.</p> <p>Mr. Leonard is required to pay all costs for such monitoring.</p> <p>Mr. Leonard is required to notify the Board of all audit, review, or other attest engagements undertaken by him during the period of probation. The Board, at its discretion, may select reports and related working papers for submission and review.</p> <p>Mr. Leonard shall have immediate access to, shall use, and shall maintain published materials and/or checklists that are consistent with his practice.</p> <p>Mr. Leonard is required to complete 24 hours of continuing education, in addition to the 80 hours required for renewal of the license as directed by the Board or its representative.</p> <p>Mr. Leonard is required to reimburse the Board \$10,275 for its investigation and prosecution costs.</p> <p>Other standard terms and conditions of probation.</p>	<p>Mr. Leonard admits that he materially departed from professional standards for audit reporting and work paper documentation, and that those material departures constituted gross negligence in the practice of public accountancy.</p> <p>Mr. Leonard also admits that he failed in the performance of the audits of Mortgage Capital Resource Corporation for the year ended October 31, 1999, Worldwide Capital Industries, Inc. for the year ended December 31, 2001, and Advanced Brain Monitoring LLC for the years ended December 31, 1999, and December 31, 2000.</p> <p>Specifically, Mr. Leonard failed to modify his reports for departures from generally accepted accounting principles and failed to comply with generally accepted auditing standards and generally accepted government auditing standards, including conducting the audits in accordance with the Consolidated Audit Guide for HUD Audit Programs and OMB Circular A-133, as applicable.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5062 and 5100(c) and (g). California Code of Regulations, Title 16, §58.</p>

Effective June 18, 2004

(Please see Enforcement Actions, continued to page 32)

Other Enforcement Actions 3/29/04 through 2/24/05

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p>LONG, ANNE HECK Sacramento, CA (CPA 39076)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Sixty days suspension from the practice of public accountancy.</p> <p>Ms. Long shall take and pass with a score of 90 percent or better a Board-approved ethics examination.</p> <p>Ms. Long is required to reimburse the Board \$4,263 for its investigation and prosecution costs.</p> <p>Other standard terms and conditions.</p> <p>Effective December 22, 2004</p>	<p>For purposes of settlement, Ms. Long admits she was suspended from appearing or practicing before the Securities and Exchange Commission (SEC) as an accountant and ordered to pay a \$35,000 civil penalty. The SEC's order was based upon their finding that Ms. Long, acting as Chief Accounting Officer of VantageMed Corporation, engaged in acts that resulted in VantageMed filing a materially false financial statement; engaged in improper accounting practices that materially underreported VantageMed's operating costs and expenses, net loss and loss per share; and failed to disclose material information to VantageMed's independent auditors.</p>	<p>Business and Professions Code, Division 3, Chapter 1, § 5100 (h), and (l).</p>

(Please see Enforcement Actions, continued to page 33)

Other Enforcement Actions 3/29/04 through 2/24/05

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p>MILLER, GLENN SCOTT Long Beach, CA (CPA 33783)</p> <p>Revocation stayed, with five years' probation, via stipulated settlement.</p> <p>Thirty days suspension from the practice of public accountancy.</p> <p>During the period of suspension, Mr. Miller shall engage in no activities for which certification as a CPA is required.</p> <p>Mr. Miller shall take and pass with a score of 90 percent or better a Board-approved ethics examination prior to resumption of practice.</p> <p>Mr. Miller shall complete 24 hours of continuing education in addition to the 80 hours required for renewal of the license as directed by the Board or its designee.</p> <p>Mr. Miller shall maintain an active status license during the period of probation including during the period of suspension.</p> <p>Mr. Miller shall participate in a community service program as directed by the Board or its designee amounting to a minimum of 100 hours.</p> <p>Mr. Miller is required to reimburse the Board \$6,650 for the investigation and prosecution costs.</p> <p>Other standard terms and conditions.</p>	<p>Mr. Miller admits that he engaged in the practice of public accountancy without a valid permit from August 1, 2002, to at least November 7, 2002, and that he failed to comply with continuing education requirements.</p> <p>Mr. Miller further admits that he committed repeated acts of negligence, breached fiduciary responsibilities to his clients, and falsely signed tax returns by continuously and repeatedly preparing and signing tax returns using the CPA designation during a period of time when his certificate was expired.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5050, and 5100 (c), (g), (i), and (j). California Code of Regulations, Title 16, Division 1, § 87.</p>

Effective June 18, 2004

(Please see Enforcement Actions, continued to page 34)

Other Enforcement Actions 3/29/04 through 2/24/05

Name/Board Actions	Cause for Discipline	Violation(s) Charged
MUSO, SHUNJI Monterey Park, CA (CPA 34761) Revocation stayed, with three years' probation, via stipulated settlement. Mr. Muso's license is suspended for one year. Mr. Muso is required to reimburse the Board \$6,296.05 for its investigation and prosecution costs. Mr. Muso is required to notify his clients of his suspension. Other standard terms and conditions. Effective October 15, 2004	Mr. Muso admits the truth of each and every charge and allegation in First Amended Accusation No. AC-2003-21. Mr. Muso was convicted on his plea of guilty of failing to report importation of monetary instruments, which is a felony. The circumstances surrounding the conviction are that on or about June 28, 2000, Mr. Muso, on behalf of a client, knowingly and willfully, transported more than \$10,000 in monetary instruments at one time, to a place in the United States, from a place outside of the United States, and willfully failed to report the amount of the instruments transported. A total of \$4,690,000 was transported on six separate trips from Tokyo, Japan to Los Angeles, California from June 28, 2000, through November 16, 2000. Mr. Muso also operated his accounting practice as Muso & Co., Inc. This corporation was not registered with the Board.	Business and Professions Code, Division 3, Chapter 1, §§ 5050, 5100 (a), (j), (g), and 5151.
NESS, JOHN B. San Diego, CA (CPA 48489) Revocation stayed, with three years' probation, via stipulated settlement. Sixty days suspension from the practice of public accountancy. Mr. Ness shall return all documents relating to the tax engagement, including the 1999 tax returns prepared by Mr. Ness. Mr. Ness shall use an engagement letter with each new client or engagement accepted during probation, and he shall provide copies to the Board or its designee upon request. Other standard terms and conditions. Effective December 22, 2004	For purposes of settlement, Mr. Ness admits on March 10, 2000, he was engaged to prepare 1999 federal and state income tax returns. During this time, Mr. Ness' license to practice public accountancy was in an expired status. In January 2001, Mr. Ness' client telephoned Mr. Ness and requested his 1999 tax returns. Mr. Ness stated that he would mail them but failed to do so. In April 2001, the client again telephoned Mr. Ness and requested that Mr. Ness send the tax returns and the supporting tax documentation. Mr. Ness refused. Mr. Ness' actions constitute gross negligence, retention of client records, and practicing public accountancy with an expired CPA certificate.	Business and Professions Code, Division 3, Chapter 1, §§ 5037, 5050, 5055, and 5100 (c) and (f). California Code of Regulations, Title 16, §§ 52 and 68.

(Please see Enforcement Actions, continued to page 35)

Other Enforcement Actions 3/29/04 through 2/24/05

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p>PEJSA, RICHARD RALPH La Canada, CA (CPA 18795)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Mr. Pejsa shall take and pass with a score of 90 percent or better an eight-hour Board approved ethics course within 180 days from the effective date of the decision.</p> <p>Mr. Pejsa is required to reimburse the Board \$2,694.59 for its investigation and prosecution costs.</p> <p>Other standard terms and conditions.</p> <p>Effective October 14, 2004</p>	<p>Mr. Pejsa admits the truth of each and every charge and allegation in Accusation No. AC-2004-14.</p> <p>Mr. Pejsa was convicted on a plea of guilty of petty theft with a prior – a misdemeanor. The circumstances surrounding the conviction are that on or about June 1, 2002, Mr. Pejsa did unlawfully steal, take, and carry away personal property of Nordstrom's.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 490 and 5100 (a) and (k). California Code of Regulations, Title 16, § 99.</p>
<p>PLANER, KARL W. Los Angeles, CA (CPA 66302)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Mr. Planer shall at all times maintain an active license status with the Board, including during any period of suspension.</p> <p>Ms. Planer is required to reimburse the Board \$6,483 for its investigation and prosecution costs.</p> <p>Other standard terms and conditions.</p> <p>Effective December 22, 2004</p>	<p>For purposes of settlement, Mr. Planer admits he is subject to discipline on the grounds of unprofessional conduct in that on his 1999 renewal application he requested renewal in active status, but he failed to obtain and/or demonstrate that he had obtained the required hours of continuing education.</p> <p>Mr. Planer is further subject to discipline on the grounds that following expiration of his public accountant certificate on May 31, 2001, he prepared income tax returns for a client during April 2003 without being registered as a tax preparer with the California Tax Education Council or qualifying for any of the exemptions.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5100 (g), 22253 (a) (1), and 22258. California Code of Regulations, Title 16, §§ 87 and 87.7.</p>

(Please see Enforcement Actions, continued to page 36)

Other Enforcement Actions 3/29/04 through 2/24/05

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p>SNELL, BARRY A. Santa Monica, CA (CPA 43463)</p> <p>Revocation stayed, with three years' probation, via proposed decision.</p> <p>Effective December 22, 2004</p>	<p>While on probation, Mr. Snell violated the terms of his probation in that he failed to obey all federal, state, and local laws, including those rules relating to the practice of public accountancy in California. He also failed to maintain an active license and failed to make scheduled cost reimbursement payments.</p>	<p>Violations of terms of probation.</p>
<p>VERNAZZA, J. BEN Aptos, CA (CPA 8850)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Thirty days suspension from the practice of public accountancy.</p> <p>Mr. Vernazza shall take and pass with a score of 90 percent or better an eight-hour Board-approved ethics course within the first year of probation.</p> <p>Mr. Vernazza is required to reimburse the Board \$3,267 for its investigation and prosecution costs.</p> <p>Other standard terms and conditions.</p> <p>Effective February 24, 2005</p>	<p>Mr. Vernazza admits the truth of each and every charge and allegation in Accusation No. AC-2004-21.</p> <p>On or about November 5, 2001, in SEC case number 3-9042, Mr. Vernazza was suspended from being associated with an investment advisor for six months. Subsequent to further judicial appeal, the suspension went into effect on or about April 24, 2003.</p> <p>Mr. Vernazza did not report his suspension by the SEC to the California Board of Accountancy.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5063 and 5100, 5100 (g), (h), and (l).</p>

(Please see Enforcement Actions, continued to page 37)

Other Enforcement Actions 3/29/04 through 2/24/05

Name/Board Actions	Cause for Discipline	Violation(s) Charged
<p>WESSMAN, CHARLES San Bernardino, CA (CPA 37692)</p> <p>Revocation stayed, with three years' probation, via stipulated settlement.</p> <p>Mr. Wessman's license is suspended for six months.</p> <p>Mr. Wessman shall complete continuing education courses in Financial Statement Disclosures (eight-hour minimum) and GAAP/ GAAS (16-hour minimum), in addition to the 80 hours required for renewal.</p> <p>Mr. Wessman is required to reimburse the Board \$11,432.02 for its investigation and prosecution costs.</p> <p>Other standard terms and conditions.</p> <p>Effective April 1, 2004</p>	<p>Accusation AC-2002-25 contains allegations that Mr. Wessman is subject to discipline for unprofessional conduct in that from 1996 through July 1998, he knowingly compiled financial statements and reports which included untrue statements of material facts and omissions to state material facts.</p> <p>The Accusation also alleges that Mr. Wessman practiced with an expired license from May 1, 2000, through October 3, 2001, without having met the continuing education basic 80-hour requirements.</p> <p>Further, the Accusation specifically alleges that during that period, Mr. Wessman performed an audit, a review, a compilation, and prepared four income tax returns.</p> <p>Mr. Wessman admits the Board could establish a factual basis for the charges at a hearing.</p>	<p>Business and Professions Code, Division 3, Chapter 1, §§ 5050, 5062, and 5100 (c), (f), and (j). California Code of Regulations, Title 16, §§ 58 and 87.</p>

(Please see Enforcement Actions, continued to page 38)

Enforcement Definitions

Accusation

A formal document that notifies a licensee of the agency's charges against the licensee.

Cost Recovery

The licensee is ordered to pay the Board certain costs of investigation and prosecution including, but not limited to, attorney fees.

Default Decision

The licensee failed to file a Notice of Defense or has otherwise failed to request a hearing, object, or otherwise contest the accusation. The Board takes action without a hearing based on the accusation and documentary evidence on file.

Effective Date

The date the disciplinary decision becomes operative.

Probation

The licensee may continue to engage in activities for which licensure is required, under specific terms and conditions.

Reinstatement

A revoked license that is restored, not sooner than one year from the date of revocation, to a clear or inactive status after petition to and approval by the Board. Reinstatement may include probation and/or terms and conditions.

Revocation

The individual, partnership, or corporation is no longer licensed as a result of a disciplinary action.

Stayed

The action does not immediately take place and may not take place if the licensee complies with other conditions (such as a probation term).

Stipulation

The matter is negotiated and settled without going to hearing.

Suspension

The licensee is prohibited for a specific period of time from engaging in activities for which licensure is required.

Surrendered

The licensee has surrendered the license. The individual, partnership, or corporation is no longer licensed. The Board, however, may impose discipline against a surrendered license in certain circumstances. Surrender also may require certain conditions be met should the former licensee ever choose to reapply for licensure.

ADDRESS CHANGE FORM

A separate address change form must be submitted for each license type.

PLEASE PRINT

Name of Applicant for Licensure

Last	First	Middle

Name of Licensee

Individual (CPA/PA) - License No. _____

Last	First	Middle

Name of Firm

☐ Corporation ☐ Partnership ☐ Fictitious Name License No. _____

Firm Name

NEW Address of Record (An Address of Record is Required)

Be advised that if you are a licensed CPA/PA or firm, your address of record is public information, and all Board correspondence will be sent to this address.

☐ Home ☐ Business (check one)

--

Business Name (if different from name above)

--	--

Street ☐ Apt. # ☐ Suite # (check one)

--	--	--

City State Zip

Former Address of Record

--	--

Street ☐ Apt. # ☐ Suite # (check one)

--	--	--

City State Zip

Alternate Address for Mail Drops and PO Boxes

If your address of record is a PO Box or Mail Drop, you are required to provide a street address. This address will not be posted on the Board's Web License Lookup.

--	--

Street ☐ Home ☐ Business (check one) ☐ Apt. # ☐ Suite # (check one)

--	--	--

City State Zip

Daytime Phone Number

-	-
Area Code	

You may confirm your change of address on License Lookup at www.dca.ca.gov/cba.

I certify the truth and accuracy of all of these statements and representations.

Signature _____ Date _____

Print your name _____

A licensee who fails to notify the California Board of Accountancy within 30 days of a change of address of record may be subject to citation and fine (fines ranging from \$100-\$1000) under the California Code of Regulations, Title 16, Division 1, Sections 3 and 95.2.

The Board maintains a list of all licensees. This list is sold to requestors for mailing list purposes. Check here only if you do not want your name included on this list. *Please Note: Your name and address of record is public information and can be accessed through our Web site at www.dca.ca.gov/cba.* ☐

Mail to: California Board of Accountancy, 2000 Evergreen Street, Suite 250, Sacramento, CA 95815-3832

or **FAX to:** (916) 263-3675

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License Status Check	(916) 263-3680
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General Examination Questions	<i>examinfo@cba.ca.gov</i>
.....	(916) 561-1703
.....	Facsimile (916) 263-3677 or (916) 614-3253
Enforcement Information and Questions	<i>enforcementinfo@cba.ca.gov</i>
.....	(916) 561-1729
.....	Facsimile (916) 263-3673
Certifications	(916) 561-1701
Initial Licensing — Individual:	<i>licensinginfo@cba.ca.gov</i>
.....	<i>fingerprinting@cba.ca.gov</i>
.....	(916) 561-1701
.....	Facsimile (916) 263-3676
Initial Licensing — Partnerships, Corporations, Fictitious Names:	
.....	<i>firminfo@cba.ca.gov</i>
.....	(916) 561-1701
.....	Facsimile (916) 263-3676
Renewal for CPA/PA, Partnerships, Corporations, Continuing Education:	
.....	<i>renewalinfo@cba.ca.gov</i>
.....	(916) 561-1702
.....	Facsimile (916) 263-3672
Web Site Address	<i>www.dca.ca.gov/cba</i>
Web Page Master	<i>pagemaster@cba.ca.gov</i>
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